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Counsel for Pratt Industries Inc.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
Sears Holdings Corporation, <i>et al.</i> ,)	Case No. 18-23538-RDD
)	
Debtors.)	Jointly Administered
_____)	

**PRATT INDUSTRIES INC.'S RESERVATION OF RIGHTS WITH
RESPECT TO NOTICE REGARDING THIRD DISTRIBUTION PURSUANT
TO ADMINISTRATIVE EXPENSE CLAIMS CONSENT PROGRAM**

Pratt Industries Inc. ("Pratt"), by its undersigned counsel, hereby files this Reservation of Rights regarding the Debtors' Notice Regarding Third Distribution Pursuant to Administrative Expense Claims Consent Program ("Notice") (Docket No. 9630), stating to the Court as follows:

1. Pratt is the holder of an allowed administrative claim in the amount of \$40,826.40 ("Pratt Administrative Claim") and timely submitted a ballot to opt in to the expressly reserves all rights with respect to the Administrative Claims Consent Program. *See* Amended Notice Regarding Initial Distribution Pursuant to Administrative Claims Consent Program (Docket No. 628).

2. The Notice seeks to reserve the sum of \$3,003.88 due to be distributed to Pratt on account of the Pratt Administrative Claim, presumably because the Debtors have filed an adversary proceeding against Pratt seeking to avoid certain pre-petition transfers. (Adv. Pro. No.

20-06852). The Debtors have not articulated the basis for such a reserve. In light of the Second Circuit decision in *ASM Capital, L.P. v. Ames Dept. Stores, Inc. (In re Ames Dept. Stores, Inc.)*, 582 F.3d 422 (2d Cir. 2009), the Debtors may not use 11 U.S.C. § 502(d) as a basis for disallowance or holdback of administrative claims.

3. The alleged avoidable transfers which are the subject of Adv. Pro. No. 20-06852 are not avoidable due to among other things, Pratt's affirmative defenses, and Pratt reserves all of its rights with respect to the same and the Pratt Administrative Claim.

Respectfully Submitted,

PRATT INDUSTRIES INC.

By Counsel

/s/ Alan F. Kaufman
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Counsel for Pratt Industries Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 23rd day of July 2021, a copy of the foregoing was delivered by first class mail, postage prepaid, to:

Ray C. Schrock, P.C.
Jacqueline Marcus
Garrett A. Fail
Sunny Singh
Weil Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153

/s/ Alan F. Kaufman

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